

Indiana



Regulatory Oversight

COMMERCIAL GAMING

Governing Body: Title 4, Article 33, Chapter 3 of the Indiana Code established the [Indiana Gaming Commission \(IGC\)](#) to supervise the state's riverboat casinos, land-based casinos, racinos, and charitable gaming. Seven members appointed by the governor make up the IGC, with one member serving as the chair. The Indiana Administrative Code organizes regulations developed by the IGC for the implementation and administration of the gaming laws. Specifically, the code outlines regulations for equipment licensing, minority licensing, ownership requirements and transfers, public safety rules, exclusion and eviction hearings, gaming conduct, required security and surveillance measures, disciplinary hearings and forfeiture hearings, accounting procedures, recordkeeping procedures, transport and inspection of gaming equipment, credit regulation, and dispute resolution procedures. In 2015, legislation passed authorizing riverboat casinos to move inland to adjacent properties, effective July 1, 2015.

Title 4, Article 35 of the Indiana Code delineates the regulations which apply to slot machines at racetracks.



Licensing

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Operator: Title 4, Article 33 of the Indiana Code, authorizes riverboat gaming in the state and allows for the establishment of ten riverboats. The statute authorizes gaming in counties contiguous to Lake Michigan or the Ohio River and counties that contain a historic hotel district, subject to specified conditions. In 2004, additional legislation was passed to allow for an 11th land-based casino. Soon after, in 2007, legislation passed allowing for 2,000 slot machines at each of the state's two horse racetracks. In 2015, legislation passed allowing for riverboat casinos to become permanently moored crafts.

Under the licensing requirements in [Title 4, Article 33, Chapter 6](#) of the Indiana Code, casino operators, manufacturers, suppliers, and employees must be licensed before engaging in any gaming activity within the state. The IGC may enter into one operating agent contract with a person to operate one riverboat on behalf of the IGC in a historic hotel district. The operating agent contract requires the historic hotel riverboat to pay a \$1m initial license fee. Riverboat casinos must pay an annual licensing renewal fee of \$5,000.

[Title 4, Article 35, Section 5](#) of the Indiana Code allows the IGC to issue licenses to two racetracks for the operation of slot machines. However, in 2019, legislation was enacted allowing the state's racetrack casinos to offer live table games effective January 2020. The licenses are initially valid for a period of five years, unless the license is terminated or revoked. Thereafter, the license may be renewed annually at a cost of \$100 per slot machine operated by the licensee and a determination by the IGC that the licensee continues to satisfy all the licensing conditions. A license is null and void if the licensee fails to obtain or maintain a permit to conduct a pari-mutuel wagering horseracing meeting in Indiana or operate the statutorily required amount of live horse races.

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Supplier License: Under [Title 4, Article 33, Chapter 7](#) of the Indiana Code, the IGC is authorized to issue a supplier's license if an applicant has applied for a supplier's license, paid a nonrefundable application fee of \$5,000, and paid a \$7,500 annual license fee. A person holding a supplier's license may sell, lease, and contract to sell or lease gambling equipment and supplies to a licensee or an operating agent involved in the ownership or management of riverboat gambling operations. Gambling equipment and supplies customarily used in conducting riverboat gambling may be purchased or leased only from suppliers licensed under the gaming code.



Taxation

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Gaming Tax Rate: Indiana's riverboat casino operators are subject to two forms of gaming tax. In 2017, a law eliminated a \$3 admissions tax in favor of a supplemental wagering tax. Effective July 2018, operators are taxed based on a ratio determined by dividing: (1) the casino's admission taxes paid between July 2016 and June 2017 by (2) its adjusted gross receipts from the same time period. That ratio will then be multiplied by the casino's gross receipts from the applicable year to determine the tax liability for that year. Effective July 1, 2019, the tax is capped at 3.5 percent of adjusted gross receipts. Notably, the supplemental wagering tax does not apply to the state's historical hotel riverboat casino.

The second tax is a wagering tax. This is a tax imposed on the gross gaming receipts of riverboat casino operators. Under the wagering tax, casinos are required to pay:

- 15 percent on the first \$25m of gross gaming receipts per year. (If a casino received less than \$75m in adjusted gross revenues (AGR) in the previous year the rate for this bracket is 5 percent).
- 20 percent on gross receipts over \$25m per year.
- 25 percent on gross receipts over \$50m per year.
- 30 percent on gross receipts over \$75m per year.
- 35 percent on gross receipts over \$150m per year.
- 40 percent on gross receipts over \$600m per year.

Title 4, Article 35, Chapter 8 provides for a graduated wagering tax on adjusted gross receipts for racetrack slot machines:

- 25 percent of the first \$100m of adjusted gross receipts received during the fiscal year.
- 30 percent of the adjusted gross receipts in excess of \$100m but not exceeding \$200m received during the fiscal year.
- 35 percent of the adjusted gross receipts in excess of \$200m received during the fiscal year.

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Additionally, racetrack casino licensees must pay:

- A \$500,000 problem gambling fee to the Division of Mental Health and Addiction for each racetrack at which the licensee offers slot machine wagering.
- A \$250,000 gaming integrity fee to the Indiana Horse Racing Commission for each racetrack at which the licensee offers slot machine wagering.
- A supplemental fee of 1 percent of adjusted gross receipts to the IGC.
- A county slot machine wagering fee of 3 percent of adjusted gross receipts, monthly; however, the licensee is not required to pay more than \$8m in county slot machine fees in a fiscal year.

TAX ALLOCATION:

Riverboat Casino	
State Gaming Fund Disbursement	
Revenue Sharing	First \$33m
City or County of Home Dock	Remaining 25%
State General Fund	Remaining 75%

Historical Hotel Riverboat Casino	
State Gaming Fund Disbursement	
State General Fund	37.5%

The remaining 43.5 percent to be distributed as follows:

- 22.4 percent to be split evenly between the town of French Lick and West Baden Springs.
- 14.8 percent to the county treasurer of Orange County for distribution among the school corporations in the county.
- 13.1 percent to the county treasurer of Orange County.
- 5.3 percent to be distributed quarterly to the county treasurer of Dubois County.
- 5.3 percent to be distributed quarterly to the county treasurer of Crawford County.
- 6.35 percent to be paid to the fiscal officer of the town of Paoli
- 6.35 percent to be paid to the fiscal officer of the town of Orleans.
- 26.4 percent to be paid to the Indiana Economic Development Corporation.

Racetrack Casino: Indiana’s racetracks must pay a specified fee to the horse racing industry under a distribution agreement signed in 2013. Each racetrack casino must also pay \$250,000 to the Gaming Integrity Fund and \$500,000 to Indiana’s Division of Mental Health and Addiction. The remaining tax on 91.5 percent of annual gross proceeds that is received by the state under the graduated wagering tax outlined in the “Gaming Tax Rate” is to be distributed to the State General Fund.

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Promotional Credits: Promotional credits are not taxed up to \$5m.

Withholding Tax on Gambling Winnings: The state withholds 3.4 percent on slot machine winnings greater than \$1,200 and keno prizes over \$1,500.



Responsible Gaming

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Statutory Funding Requirement: 3.33% of supplemental wagering tax. Racetrack casinos: \$500,000 annually. Sports betting: 3.33% of tax revenue to the addiction services fund.

Self-exclusion: The Indiana Gaming Commission (IGC) has administered the Voluntary Exclusion Program (VEP) since it was created in 2003. Through the VEP, individuals may voluntarily exclude themselves from Indiana casinos by requesting to be put on the exclusion list. If the individual is found gambling after being placed on the list, any winnings are forfeited and deposited into the Problem Gambler's Fund. The interested individual must fill out a request form in the presence of a gaming enforcement agent. The form must be completed voluntarily and not while under the influence of alcohol, any controlled substance, or prescription medication. The person may elect an exclusion period of one year, five years, or for life.

Alcohol use: Indiana does not allow gambling facilities to offer complimentary alcoholic beverages.

Advertising Restrictions: N/A

On-Premise Display Requirement: IGC requires licensees to conspicuously display a responsible gaming toll free telephone number on each admission ticket to a riverboat casino if tickets are issued and on display on posters or placard in a public area of each riverboat where gambling is conducted.

Restrictions on Minors on the Gambling Premises: Persons under 21 years of age are not allowed on gambling riverboats and are not allowed in a gaming area at racetracks.



Other Regulations

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Testing Requirements: All gaming devices must be tested before being approved for use. The IGC can employ the services of an outside independent gaming test laboratory to conduct the testing and bill riverboat licensees for the testing.

AML Requirements: Under federal U.S. law, commercial casino operators, tribal gaming operators and card clubs are required to comply with various statutes to prevent money laundering activities and other financial crimes, including terrorism financing.

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Shipping Requirements: Electronic gaming devices may not be delivered to a licensee unless a member of the IGC or an enforcement agent is present at the point of delivery. The person causing the movement of the electronic gaming device must give at least ten days' notice before transporting an electronic gaming device.

Credit Offered to Patrons: The Indiana Administrative Code outlines credit procedures in the state. A licensee must have its credit issuing procedures approved by the IGC.

Political Contributions: A licensee or a person with an interest in a licensee may not give any property to a member of a precinct committee to induce the member of the precinct committee to do any act or refrain from doing any act with respect to the approval of a local public question to authorize a casino riverboat.



Sports Betting

Authorized Operators: Sports betting may be offered at the state's 11 casinos, two racinos and multiple off-track betting parlors.

Mobile/Online: Licensed operators can offer online and mobile wagering to customers within Indiana's borders. Mobile sportsbook operators must partner with land-based properties to offer mobile/online sports betting in the state.

Taxes and Fees: The initial fee for obtaining a sports-betting licenses is \$100,000. Licensees also must pay an annual administrative fee of \$50,000, due one-year after obtaining the license.

Sports wagering is taxed at 9.5 percent of adjusted gross revenue.

Amateur Restrictions: State statute prohibits wagers on high school and any other amateur youth sporting events. In addition, wagers may not be placed on any sporting event that has not been approved for wagering by the commission. Via the commission directive, wagering on collegiate events is limited to National Collegiate Athletic Association (NCAA) Division I sports. Additionally, in-play collegiate player prop bets are prohibited.

Official Data Mandate & Integrity Fee: Sports betting regulations in Indiana do not mandate the use of official league data or provide an integrity fee to sports leagues.